Washington State Department of Social & Health Services	SERVICES CONTRACT			DSHS Contract Number: Resulting From Procurement Number: 2134-792		
Transforming lives					2134-192	
This Contract is between the state of Washington Department of Social			Program Contract Number:			
and Health Services (DSHS) and the Contractor identifie governed by chapter 39.26 RCW.			ctor identified	below, and is	Contractor C	Contract Number:
CONTRACTOR NAME				CONTRACTOR doing business as (DBA)		
CONTRACTOR ADDRESS				WASHINGTON UNIF BUSINESS IDENTIF		
CONTRACTOR CONTACT		CONTRACTOR	TELEPHONE	CONTRACTOR FA		CONTRACTOR E-MAIL ADDRESS
DSHS ADMINISTRATION		DSHS DIVISION				TRACT CODE
Facilities, Finance and Al Administration	nalytics	Central Conti	racts & Legal S	ervices	8000PC-3	34
DSHS CONTACT NAME AND	TITLE		DSHS CONTACT			
James OBrien			1100 Washingt			
			PO Box 45811 Olympia, WA	Click here to enter	text.	
DSHS CONTACT TELEPHONE	E		ONTACT FAX		DSHS CONTACT E-MAIL ADDRESS	
(360)664-6055	DE 01015115		ere to enter text.		obriejm@dshs.wa.gov	
IS THE CONTRACTOR A SUB	RECIPIENT	FOR PURPOSES	S OF THIS CONTR	ACT? CFDA NUM	BER(S)	
CONTRACT START DATE		CONTRA	ACT END DATE		CONTRACT	MAXIMUM AMOUNT
EXHIBITS. The following					Contract	by reference:
Exhibits: Exhibit A -		elopment Act	ivities; Exhibit	B - Fircrest Site		
Predevelopment Budge	et					
No Exhibits. The terms and conditions	of this Co	entroot ore on	intogration and	representation of	the final on	tire and evaluative
						s, and communications, oral
or otherwise regarding th	ne subject	matter of this	Contract The	parties signing bel	ow represe	nt that they have read and
understand this Contract,	and have	the authority	to execute this	Contract. This Co	ntract shall	be binding on DSHS only
upon signature by DSHS		,				,
CONTRACTOR SIGNATURE			PRINTED NAME	AND TITLE		DATE SIGNED
Draft - Please Do	Not Sig	jn /				
DSHS SIGNATURE		PRINTED NAME AND TITLE		DATE SIGNED		
Draft - Please Do	Not Sig	ın				

- **1. Definitions**. The words and phrases listed below, as used in this Contract, shall each have the following definitions:
 - a. "Central Contracts and Legal Services" means the DSHS central headquarters contracting office, or successor section or office.
 - b. "Confidential Information" or "Data" means information that is exempt from disclosure to the public or other unauthorized persons under RCW 42.56 or other federal or state laws. Confidential Information includes, but is not limited to, Personal Information.
 - c. "Contract" or "Agreement" means the entire written agreement between DSHS and the Developer, including any Exhibits, documents, or materials incorporated by reference. The parties may execute this contract in multiple counterparts, each of which is deemed an original and all of which constitute only one agreement. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
 - d. "CCLS Chief" means the manager, or successor, of Central Contracts and Legal Services or successor section or office.
 - e. "Developer" means the individual or entity performing services pursuant to this Contract and includes the Developer's owners, members, officers, directors, partners, employees, and/or agents, unless otherwise stated in this Contract. For purposes of any permitted Subcontract, "Developer" includes any Subcontractor and its owners, members, officers, directors, partners, employees, and/or agents.
 - f. "Debarment" means an action taken by a Federal agency or official to exclude a person or business entity from participating in transactions involving certain federal funds.
 - g. "DSHS" or the "Department" means the Washington State Department of Social and Health Services and its employees and authorized agents.
 - h. "Encrypt" means to encode Confidential Information into a format that can only be read by those possessing a "key;" a password, digital certificate or other mechanism available only to authorized users. Encryption must use a key length of at least 256 bits for symmetric keys, or 2048 bits for asymmetric keys. When a symmetric key is used, the Advanced Encryption Standard (AES) must be used if available.
 - i. "Personal Information" means information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, Social Security Numbers, driver license numbers, other identifying numbers, and any financial identifiers.
 - j. "Physically Secure" means that access is restricted through physical means to authorized individuals only.
 - k. "Program Agreement" means an agreement between the Developer and DSHS containing special terms and conditions, including a statement of work to be performed by the Developer and payment to be made by DSHS.
 - "RCW" means the Revised Code of Washington. All references in this Contract to RCW chapters or sections shall include any successor, amended, or replacement statute. Pertinent RCW chapters can be accessed at http://apps.leg.wa.gov/rcw/.

- m. "Regulation" means any federal, state, or local regulation, rule, or ordinance.
- n. "Secured Area" means an area to which only authorized representatives of the entity possessing the Confidential Information have access. Secured Areas may include buildings, rooms or locked storage containers (such as a filing cabinet) within a room, as long as access to the Confidential Information is not available to unauthorized personnel.
- o. "Subcontract" means any separate agreement or contract between the Developer and an individual or entity ("Subcontractor") to perform all or a portion of the duties and obligations that the Developer is obligated to perform pursuant to this Contract.
- p. "Tracking" means a record keeping system that identifies when the sender begins delivery of Confidential Information to the authorized and intended recipient, and when the sender receives confirmation of delivery from the authorized and intended recipient of Confidential Information.
- q. "Trusted Systems" include only the following methods of physical delivery: (1) hand-delivery by a person authorized to have access to the Confidential Information with written acknowledgement of receipt; (2) United States Postal Service ("USPS") first class mail, or USPS delivery services that include Tracking, such as Certified Mail, Express Mail or Registered Mail; (3) commercial delivery services (e.g. FedEx, UPS, DHL) which offer tracking and receipt confirmation; and (4) the Washington State Campus mail system. For electronic transmission, the Washington State Governmental Network (SGN) is a Trusted System for communications within that Network.
- r. "WAC" means the Washington Administrative Code. All references in this Contract to WAC chapters or sections shall include any successor, amended, or replacement regulation. Pertinent WAC chapters or sections can be accessed at http://apps.leg.wa.gov/wac/.
- **2. Amendment.** This Contract may only be modified by a written amendment signed by both parties. Only personnel authorized to bind each of the parties may sign an amendment.
- **3. Assignment.** The Developer shall not assign this Contract or any Program Agreement to a third party without the prior written consent of DSHS.

4. Billing Limitations.

- a. DSHS shall pay the Developer only for authorized services provided in accordance with this Contract.
- b. DSHS shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were performed.
- c. The Developer shall not bill and DSHS shall not pay for services performed under this Contract, if the Developer has charged or will charge another agency of the state of Washington or any other party for the same services.
- 5. Compliance with Applicable Law. At all times during the term of this Contract, the Contractor shall comply with all applicable federal, state, and local laws and regulations, including but not limited to, nondiscrimination laws and regulations.
 - **a.** COVID-19 Vaccination Requirement. Contractor shall abide by the vaccination requirements of Governor Jay Inslee's Proclamation 21-14.1. Contractor Staff who are reasonably likely or contractually obligated to engage in work while physically present at a building, facility, jobsite, project site, unit, or

other defined area owned, leased, occupied by, or controlled by DSHS after October 18, 2021 must be fully vaccinated against COVID-19 unless they have been granted a valid disability or religious accommodation by Contractor. Contractor shall obtain a copy of, or visually observe proof of full vaccination against COVID-19 for all Staff who are subject to the vaccination requirement in the Governor's Order. Contractor shall follow the requirements for granting disability and religious accommodations to Contractor's Staff that apply to State Agencies under the Governor's Order. Contractor and Contractor Staff shall provide proof of such vaccination or accommodation upon request by DSHS. Contractor shall cooperate with any investigation or inquiry DSHS makes into the employer's compliance with these requirements, including by providing information and records upon request, except any information or records that the employer is prohibited by law from disclosing.

6. Confidentiality.

- a. The Developer shall not use, publish, transfer, sell or otherwise disclose any Confidential Information gained by reason of this Contract for any purpose that is not directly connected with Developer's performance of the services contemplated hereunder, except:
 - (1) as provided by law; or,
 - (2) in the case of Personal Information, with the prior written consent of the person or personal representative of the person who is the subject of the Personal Information.
- b. The Developer shall protect and maintain all Confidential Information gained by reason of this Contract against unauthorized use, access, disclosure, modification or loss. This duty requires the Developer to employ reasonable security measures, which include restricting access to the Confidential Information by:
 - (1) Allowing access only to staff that have an authorized business requirement to view the Confidential Information.
 - (2) Physically Securing any computers, documents, or other media containing the Confidential Information.
 - (3) Ensure the security of Confidential Information transmitted via fax (facsimile) by:
 - (a) Verifying the recipient phone number to prevent accidental transmittal of Confidential Information to unauthorized persons.
 - (b) Communicating with the intended recipient before transmission to ensure that the fax will be received only by an authorized person.
 - (c) Verifying after transmittal that the fax was received by the intended recipient.
 - (4) When transporting six (6) or more records containing Confidential Information, outside a Secured Area, do one or more of the following as appropriate:
 - (a) Use a Trusted System.
 - (b) Encrypt the Confidential Information, including:
 - i. Encrypting email and/or email attachments which contain the Confidential Information.
 - ii. Encrypting Confidential Information when it is stored on portable devices or media,

including but not limited to laptop computers and flash memory devices.

Note: If the DSHS Data Security Requirements Exhibit is attached to this contract, this item, 6.b.(4), is superseded by the language contained in the Exhibit.

- (5) Send paper documents containing Confidential Information via a Trusted System.
- (6) Following the requirements of the DSHS Data Security Requirements Exhibit, if attached to this contract.
- c. Upon request by DSHS, at the end of the Contract term, or when no longer needed, Confidential Information shall be returned to DSHS or Developer shall certify in writing that they employed a DSHS approved method to destroy the information. Developer may obtain information regarding approved destruction methods from the DSHS contact identified on the cover page of this Contract.
- d. Paper documents with Confidential Information may be recycled through a contracted firm, provided the contract with the recycler specifies that the confidentiality of information will be protected, and the information destroyed through the recycling process. Paper documents containing Confidential Information requiring special handling (e.g. protected health information) must be destroyed on-site through shredding, pulping, or incineration.
- e. Notification of Compromise or Potential Compromise. The compromise or potential compromise of Confidential Information must be reported to the DSHS Contact designated on the contract within one (1) business day of discovery. Developer must also take actions to mitigate the risk of loss and comply with any notification or other requirements imposed by law or DSHS.
- 7. **Debarment Certification.** The Developer, by signature to this Contract, certifies that the Developer is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency from participating in transactions (Debarred). The Developer also agrees to include the above requirement in any and all Subcontracts into which it enters. The Developer shall immediately notify DSHS if, during the term of this Contract, Developer becomes Debarred. DSHS may immediately terminate this Contract by providing Developer written notice if Developer becomes Debarred during the term hereof.
- 8. Governing Law and Venue. This Contract shall be construed and interpreted in accordance with the laws of the state of Washington and the venue of any action brought hereunder shall be in Superior Court for Thurston County.
- 9. Independent Contractor. The parties intend that an independent contractor relationship will be created by this Contract. The Developer and his or her employees or agents performing under this Contract are not employees or agents of the Department. The Developer, his or her employees, or agents performing under this Contract will not hold himself/herself out as, nor claim to be, an officer or employee of the Department by reason hereof, nor will the Developer, his or her employees, or agent make any claim of right, privilege or benefit that would accrue to such officer or employee.
- 10. Inspection. The Developer shall, at no cost, provide DSHS and the Office of the State Auditor with reasonable access to Developer's place of business, Developer's records, and DSHS client records, wherever located. These inspection rights are intended to allow DSHS and the Office of the State Auditor to monitor, audit, and evaluate the Developer's performance and compliance with applicable laws, regulations, and these Contract terms. These inspection rights shall survive for six (6) years following this Contract's termination or expiration.

11. Maintenance of Records. The Developer shall maintain records relating to this Contract and the performance of the services described herein. The records include, but are not limited to, accounting procedures and practices, which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Contract. All records and other material relevant to this Contract shall be retained for six (6) years after expiration or termination of this Contract.

Without agreeing that litigation or claims are legally authorized, if any litigation, claim, or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

- 12. Order of Precedence. In the event of any inconsistency or conflict between the General Terms and Conditions and the Special Terms and Conditions of this Contract or any Program Agreement, the inconsistency or conflict shall be resolved by giving precedence to these General Terms and Conditions. Terms or conditions that are more restrictive, specific, or particular than those contained in the General Terms and Conditions shall not be construed as being inconsistent or in conflict.
- **13. Severability.** If any term or condition of this Contract is held invalid by any court, the remainder of the Contract remains valid and in full force and effect.
- **Survivability.** The terms and conditions contained in this Contract or any Program Agreement which, by their sense and context, are intended to survive the expiration or termination of the particular agreement shall survive. Surviving terms include, but are not limited to: Billing Limitations; Confidentiality, Disputes; Indemnification and Hold Harmless, Inspection, Maintenance of Records, Notice of Overpayment, Ownership of Material, Termination for Default, Termination Procedure, and Treatment of Property.
- 15. Contract Renegotiation, Suspension, or Termination Due to Change in Funding.

If the funds DSHS relied upon to establish this Contract or Program Agreement are withdrawn, reduced or limited, or if additional or modified conditions are placed on such funding, after the effective date of this contract but prior to the normal completion of this Contract or Program Agreement:

- a. At DSHS's discretion, the Contract or Program Agreement may be renegotiated under the revised funding conditions.
- b. At DSHS's discretion, DSHS may give notice to Developer to suspend performance when DSHS determines that there is reasonable likelihood that the funding insufficiency may be resolved in a timeframe that would allow Developer's performance to be resumed prior to the normal completion date of this contract.
 - (1) During the period of suspension of performance, each party will inform the other of any conditions that may reasonably affect the potential for resumption of performance.
 - (2) When DSHS determines that the funding insufficiency is resolved, it will give Developer written notice to resume performance. Upon the receipt of this notice, Developer will provide written notice to DSHS informing DSHS whether it can resume performance and, if so, the date of resumption. For purposes of this subsubsection, "written notice" may include email.
 - (3) If the Developer's proposed resumption date is not acceptable to DSHS and an acceptable date cannot be negotiated, DSHS may terminate the contract by giving written notice to Developer. The parties agree that the Contract will be terminated retroactive to the date of the notice of suspension. DSHS shall be liable only for payment in accordance with the terms of this

Contract for services rendered prior to the retroactive date of termination.

- c. DSHS may immediately terminate this Contract by providing written notice to the Developer. The termination shall be effective on the date specified in the termination notice. DSHS shall be liable only for payment in accordance with the terms of this Contract for services rendered prior to the effective date of termination. No penalty shall accrue to DSHS in the event the termination option in this section is exercised.
- **Waiver.** Waiver of any breach or default on any occasion shall not be deemed to be a waiver of any subsequent breach or default. Any waiver shall not be construed to be a modification of the terms and conditions of this Contract. Only the CCLS Chief or designee has the authority to waive any term or condition of this Contract on behalf of DSHS.

Additional General Terms and Conditions - Professional Service Contracts:

- **17. Advance Payment.** DSHS shall not make any payments in advance or anticipation of the delivery of services to be provided pursuant to this Contract.
- **18. Construction**. The language in this Contract shall be interpreted as to its fair meaning and not strictly for or against any party. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.
- 19. Indemnification and Hold Harmless.
 - a. The Developer shall be responsible for and shall indemnify, defend, and hold DSHS harmless from any and all claims, costs, charges, penalties, demands, losses, liabilities, damages, judgments, or fines, of whatsoever kind of nature, arising out of or relating to a) the Developer's or any Subcontractor's performance or failure to perform this Contract, or b) the acts or omissions of the Developer or any Subcontractor.
 - b. The Developer's duty to indemnify, defend, and hold DSHS harmless from any and all claims, costs, charges, penalties, demands, losses, liabilities, damages, judgments, or fines shall include DSHS's personnel-related costs, reasonable attorney's fees, court costs, and all related expenses.
 - c. The Developer waives its immunity under Title 51 RCW to the extent it is required to indemnify, defend, and hold harmless the State and its agencies, officials, agents, or employees.
 - d. Nothing in this term shall be construed as a modification or limitation on the Developer's obligation to procure insurance in accordance with this Contract or the scope of said insurance.
- 20. Industrial Insurance Coverage. The Developer shall comply with the provisions of Title 51 RCW, Industrial Insurance. If the Developer fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees, as may be required by law, Agency may collect from the Developer the full amount payable to the Industrial Insurance accident fund. The Agency may deduct the amount owed by the Developer to the accident fund from the amount payable to the Developer by the Agency under this contract, and transmit the deducted amount to the Department of Labor and Industries, (L&I) Division of Insurance Services. This provision does not waive any of L&I's rights to collect from the Developer.

- 21. Notice of Overpayment. If the Developer receives a vendor overpayment notice or a letter communicating the existence of an overpayment from DSHS, the Developer may protest the overpayment determination by requesting an adjudicative proceeding. The Developer's request for an adjudicative proceeding must:
 - a. Be *received* by the Office of Financial Recovery (OFR) at Post Office Box 9501, Olympia, Washington 98507-9501, within twenty-eight (28) calendar days of service of the notice;
 - b. Be sent by certified mail (return receipt) or other manner that proves OFR received the request:
 - c. Include a statement as to why the Developer thinks the notice is incorrect; and
 - d. Include a copy of the overpayment notice.

Timely and complete requests will be scheduled for a formal hearing by the Office of Administrative Hearings. The Developer may be offered a pre-hearing or alternative dispute resolution conference in an attempt to resolve the overpayment dispute prior to the hearing.

Failure to provide OFR with a written request for a hearing within twenty-eight (28) days of service of a vendor overpayment notice or other overpayment letter will result in an overpayment debt against the Developer. DSHS may charge the Developer interest and any costs associated with the collection of this overpayment. DSHS may collect an overpayment debt through lien, foreclosure, seizure and sale of the Developer's real or personal property; order to withhold and deliver; or any other collection action available to DSHS to satisfy the overpayment debt.

- 22. DES Filing Requirement. Under RCW 39.26, sole source contracts and amendments must be filed with the State of Washington Department of Enterprise Services (DES). If this Contract is one that must be filed, it shall not be effective nor shall work commence or payment be made until the tenth (10th) working day following the date of filing subject to DES approval. In the event DES fails to approve the Contract or any amendment hereto, the Contract or amendment shall be null and void.
- 23. Subcontracting. Except as otherwise provided in this Contract, the Developer shall not Subcontract any of the contracted services without the prior written approval of DSHS. Developer is responsible to ensure that all terms, conditions, assurances and certifications set forth in this Contract are included in any and all Subcontracts. Any failure of Developer or its Subcontractors to perform the obligations of this Contract shall not discharge the Developer from its obligations hereunder or diminish DSHS' rights or remedies available under this Contract.

24. Subrecipients.

- a. General. If the Developer is a subrecipient of federal awards as defined by 2 CFR Part 200 and this Agreement, the Developer shall:
 - (1) Maintain records that identify, in its accounts, all federal awards received and expended and the federal programs under which they were received, by Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity;
 - (2) Maintain internal controls that provide reasonable assurance that the Developer is managing federal awards in compliance with laws, regulations, and provisions of contracts or grant agreements that could have a material effect on each of its federal programs:
 - (3) Prepare appropriate financial statements, including a schedule of expenditures of federal

awards;

- (4) Incorporate 2 CFR Part 200, Subpart F audit requirements into all agreements between the Developer and its Subcontractors who are subrecipients;
- (5) Comply with the applicable requirements of 2 CFR Part 200, including any future amendments to 2 CFR Part 200, and any successor or replacement Office of Management and Budget (OMB) Circular or regulation; and
- (6) Comply with the Omnibus Crime Control and Safe streets Act of 1968, Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title II of the Americans with Disabilities Act of 1990, Title IX of the Education Amendments of 1972, The Age Discrimination Act of 1975, and The Department of Justice Non-Discrimination Regulations, 28 C.F.R. Part 42, Subparts C.D.E. and G, and 28 C.F.R. Part 35 and 39. (Go to https://ojp.gov/about/offices/ocr.htm for additional information and access to the aforementioned Federal laws and regulations.)
- b. Single Audit Act Compliance. If the Developer is a subrecipient and expends \$750,000 or more in federal awards from any and/or all sources in any fiscal year, the Developer shall procure and pay for a single audit or a program-specific audit for that fiscal year. Upon completion of each audit, the Developer shall:
 - (1) Submit to the DSHS contact person the data collection form and reporting package specified in 2 CFR Part 200, Subpart F, reports required by the program-specific audit guide (if applicable), and a copy of any management letters issued by the auditor;
 - (2) Follow-up and develop corrective action for all audit findings; in accordance with 2 CFR Part 200, Subpart F; prepare a "Summary Schedule of Prior Audit Findings" reporting the status of all audit findings included in the prior audit's schedule of findings and questioned costs.
- c. Overpayments. If it is determined by DSHS, or during the course of a required audit, that the Developer has been paid unallowable costs under this or any Program Agreement, DSHS may require the Developer to reimburse DSHS in accordance with 2 CFR Part 200.
- **25. Termination for Convenience**. DSHS may terminate this Contract in whole or in part when it is in the best interest of DSHS by giving the Developer at least thirty (30) calendar days' written notice.
- **26. Termination for Default**. The CCLS Chief may immediately terminate this Contract for default, in whole or in part, by written notice to the Developer if DSHS has a reasonable basis to believe that the Developer has:
 - a. Failed to meet or maintain any requirement for contracting with DSHS;
 - b. Failed to protect the health or safety of any DSHS client;
 - c. Failed to perform under, or otherwise breached, any term or condition of this Contract; and/or
 - d. Violated any applicable law or regulation.
 - e. If it is later determined that the Developer was not in default, the termination shall be considered a termination for convenience.

- **27. Termination or Expiration Procedure**. The following terms and conditions apply upon Contract termination or expiration:
 - The Developer shall cease to perform any services required by this Contract as of the effective date of termination or expiration.
 - b. If the Contract is terminated, the Developer shall comply with all instructions contained in the termination notice.
 - c. The Developer shall immediately deliver to the DSHS contact named on page one of this Contract, or to his or her successor, all DSHS property in the Developer's possession. The Developer grants DSHS the right to enter upon the Developer's premises for the sole purpose of recovering any DSHS property that the Developer fails to return within ten (10) calendar days of the effective date of termination or expiration of this Contract. Upon failure to return DSHS property within ten (10) calendar days, the Developer shall be charged with all reasonable costs of recovery, including transportation.
 - d. DSHS shall be liable only for payment required under the terms of this Contract for service rendered up to the effective date of termination or expiration.
 - e. DSHS may withhold a sum from the final payment to the Developer that DSHS determines necessary to protect DSHS against loss or additional liability.
 - f. The rights and remedies provided to DSHS in this Section are in addition to any other rights and remedies provided at law, in equity, and/or under this Contract, including consequential and incidental damages.
- 28. Treatment of Property. All property purchased or furnished by DSHS for use by the Developer during this Contract term shall remain with DSHS. Title to all property purchased or furnished by the Developer for which the Developer is entitled to reimbursement by DSHS under this Contract shall pass to and vest in DSHS. The Developer shall protect, maintain, and insure all DSHS property in its possession against loss or damage and shall return DSHS property to DSHS upon Contract termination or expiration.

29. Taxes.

- a. Where required by statute or regulation, Developer shall pay for and maintain in current status all taxes that are necessary for Contract performance. DSHS will pay sales or use taxes, if any, imposed on the services and materials acquired hereunder. Developer must pay all other taxes including without limitation Washington Business and Occupation Tax, other taxes based on Developer's income or gross receipts, or personal property taxes levied or assessed on Developer's personal property. DSHS, as an agency of Washington State government, is exempt from property tax.
- b. Developer shall complete registration with the Washington State Department of Revenue and be responsible for payment of all taxes due on payments made under this Contract in accordance with the requirements of Title 82 RCW and Title 458 WAC. Out-of-state Developers must contact the Department of Revenue to determine whether they meet criteria to register and establish an account with the Department of Revenue. Refer to WAC 458-20-101 (Tax registration and tax reporting) and call the Department of Revenue at 800-647-7706 for additional information. When out-of-state Developers are not required to collect and remit sales tax, DSHS shall be responsible for paying use tax, if applicable, directly to the Department of Revenue.

 All payments accrued on account of payroll taxes, unemployment contributions, any other taxes, insurance, or other expenses for Developer or Developer's staff shall be Developer's sole responsibility.

30. Preventing Disruption of Adult Care, Mental Health, Addiction, Disability Support, or Youth Services Due to Labor Management Disputes and Employee Unrest.

Washington law requires that all services, direct or ancillary, for adult care, mental health, addiction, disability support, and youth services, be warranted by the Developer providing those services against disruption. Developer and DSHS agree that disruptions to these services such as strikes, walk-offs, sick-ins, slowdowns, or any other such action designed to pressure Developer's management to meet labor, workforce, or subcontractor demands ("Economic or Industrial Action") are covered under this warranty.

If this Contract includes adult care, mental health, addiction, disability support, or youth services, Developer agrees to execute and maintain one or more of the following mandatory contractual commitments through the life of the Contract:

- a. An agreement between the Developer and any exclusive representative labor organization representing the employees performing the contracted services. This agreement must contain a provision prohibiting Economic or Industrial Action on the part of all parties. This agreement must also include a process for the resolution of disputes between them; or
- b. An agreement between the Developer and any labor organization seeking to represent the employees performing the contracted services. This agreement must contain a provision prohibiting the parties from causing, promoting, or encouraging Economic or Industrial Action, or other disruptive activity. This agreement must also include a process for resolution of disputes between parties.

Developer must notify DSHS if it is unable to form a compliant agreement with a labor organization within 30 days of executing this Contract.

If services under this Contract are interrupted due to Developer's failure to maintain one or more of the required contractual commitments listed above, DSHS may immediately terminate, suspend, or revoke this Contract for default, and arrange for the provision of services by other means. Developer shall provide reimbursement of the actual costs to DSHS arising out of the inadequacy of the warranty provided by the Developer.

31. Mandatory Individual Arbitration and Class or Collective Action Waiver as a Condition of Employment.

- a. "Mandatory Individual Arbitration Clause" or "Class or Collective Action Waiver" means an arbitration clause or waiver in an employment contract which precludes Developer's employees from resolving employment disputes with their employer through class or collective proceedings in federal court. Instead, employees must bring individualized arbitration proceedings against their employer to resolve any employment disputes.
- b. The Developer, by signature to this Contract, certifies that the Developer does not require Developer's employees to agree to, as a condition of employment, a Mandatory Individual Arbitration Clause or Class or Collective Action Waiver.

- c. Developer must notify DSHS within ten (10) business days if, during the term of this Contract, Developer requires Developer's employees to agree to, as a condition of employment, a Mandatory Individual Arbitration Clause or Class or Collective Action Waiver.
- d. If Developer, during the term of this contract, requires Developer's employees to agree to, as a condition of employment, a Mandatory Individual Arbitration Clause or Class or Collective Action Waiver, DSHS reserves the right to terminate this contract, per the General Terms and Conditions Section regarding Termination for Convenience.



1. Purpose

DSHS published a Request for Proposals RFP #2134-792 (the RFP) with respect to selection of a developer to develop a nursing facility at the Fircrest School Residential Habilitation Center in Shoreline, Washington, to be known as the DSHS Project – Fircrest Nursing Facility. The DSHS Project will encompass approximately:

Nursing Facility	_110,000 Gross Square Feet
Site Work	5.4 acres including building pad

on property owned by the State of Washington known as the Fircrest Site (the Property);

Based upon its response to the RFP, Developer has been selected as the developer of the Project subject to the execution of a Development Agreement with the owner of the Project, which will be a separate nonprofit corporation (**Project Owner**).

Developer and DSHS desire to proceed with certain predevelopment activities required for the Project in order to timely proceed with the Project development schedule. DSHS will reimburse Developer for predevelopment activities, more fully identified in **Exhibit A** hereto (Predevelopment Activities) up to a maximum of the dollar amount shown on page one of this Agreement (Total Reimbursement) as set forth in the budget attached hereto as **Exhibit B**. DSHS has no obligation to reimburse Developer for predevelopment activities in excess of this maximum amount.

The expenditures for the Predevelopment Activities are necessary expenses that the Developer will incur in order to proceed with the timely development of the Project.

In order to ensure that this Project proceeds in a timely fashion, DSHS will reimburse Developer for certain Predevelopment Activities, as set forth in this Agreement.

2. Period of Performance

From the date of execution of this Agreement, Developer shall have ____ calendar days (Period of Performance) to complete the Predevelopment Activities, unless this Agreement is extended or terminated earlier by DSHS pursuant to the terms and conditions contained in this Agreement.

3. Administration and Supervision

a. Developer represents that it has, or will obtain, either directly or through third party contracts, all personnel necessary to perform the services required under this Agreement and that such personnel shall be qualified, experienced, and licensed as may be necessary or required by laws and regulations to perform such services. Developer acknowledges that the experience and skill of the following Key Personnel was and continues to be an important factor in DSHS's selection of Developer to perform the work:

Developer:

- Developer Principal
- 2. Developer Project Manager

Architectural Consultant:

- Principal
- Project Manger
- 3. Design Architect

4. Health Care Specialist

Contracto	r:
-----------	----

- 1. Job Superintendent
- 2. Project Manager

3.	as Project Manager an	١C
	in a supervisory role) shall be assigned to the Project so long as such Key	
	Personnel are employed by Developer.	

.

- b. <u>DSHS</u>. Management and general supervision for this Agreement is the responsibility of DSHS.
 - 1. The CCLS Chief is the only authorized DSHS personnel who may sign amendments(s) and authorize changes to the Total Reimbursement and Period of Performance.
 - 2. An employee of DSHS's Office of Capital Programs, acting as the, Project Representative, shall perform day-to-day management of this Contract for DSHS. The Project Representative will approve all requests for payment, authorize termination or modification of the Predevelopment Activities set forth in **Exhibit A**, and approve in writing changes to the task budgets set forth in **Exhibit B**, provided the changes do not increase the Total Reimbursement or Period of Performance. The Project Representative shall also be responsible for determining when Developer has satisfactorily performed all work and for ensuring that Developer complies with all provisions of this Agreement.

4. Statement of Work.

The Developer shall provide the services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

- a. <u>Developer agrees</u> that it will perform the Predevelopment Activities set forth in **Exhibit A**, attached, and incorporated herein by this reference. If the Project is not ultimately developed, all work product shall become the property of and shall be owned by DSHS. Developer and DSHS agree that all data and work products (collectively called "Work Product") produced pursuant to this Agreement shall be considered work made for hire under the U.S. Copyright Act, 17 U.S.C. Section 101 *et sq*, and shall be owned by DSHS. If for any reason the Work Product would not be considered a work made for hire under applicable law, Developer assigns and transfers to DSHS the entire right, title, and interest in and to all rights in the Work Product and any registrations and copyright applications relating thereto and any renewals and extensions thereof.
- b. <u>DSHS shall</u> make available to Developer, without cost, copies of plans, drawings, survey notes, studies, soil reports, and other relevant data relating to the "Fircrest Site" Property which are readily available and on file at DSHS. These documents are available solely as additional information to Developer and do not relieve Developer of its duties and obligations under this Agreement nor constitute any representation or warranty by DSHS as to the conditions or other matters related to the Project. It shall be the sole responsibility of Developer to gather and become familiar with all site information including existing improvements.

5. Responsibility of Developer

Developer shall perform its work to conform to generally accepted professional standards applicable to the types of services and work provided hereunder. Developer shall, without additional compensation, correct or

revise or coordinate the correction or revision of any errors, omissions or other deficiencies in any plans, designs, drawings, specifications, reports and other services provided hereunder by Developer or its subcontractors.

DSHS's review or acceptance of plans, drawings, designs, specifications, reports, and other products of the professional services rendered hereunder shall not in any way relieve Developer of responsibility for the technical adequacy or accuracy thereof; provided that the requirements identified by DSHS are accurately defined and correct. Neither DSHS's review or acceptance of, nor payment for, any of the services shall be construed to operate as a waiver of any rights under this Agreement or of any cause or faction arising out of the performance of this Agreement.

Developer shall comply with all federal, state and local laws, regulations and ordinances applicable to the work and services to be performed under this Agreement.

6. Consideration.

Total consideration payable to Developer for satisfactory performance of the work under this Contract is up to a maximum of the amount shown on Page 1 of this Predevelopment Agreement including any and all expenses, and shall be based on the following:

Subject to the provisions set forth in this Agreement, DSHS shall pay Developer on a monthly basis for authorized and satisfactorily completed predevelopment activity work and services rendered under this Agreement. Such payment shall be full compensation for work performed and services rendered, including costs and expenses, for all supervision, labor, supplies, materials, equipment or use thereof, taxes, and for all other necessary incidentals, but in no case shall such payment exceed the earned value (i.e., percentage of work completed) as reasonably determined by DSHS. The amount to be paid to Developer shall be computed as hereinafter set forth; provided, that such payment shall not exceed a maximum Total Reimbursement amount shown on Page 1 of this Agreement, unless such amount is increased by written amendment to this Agreement. In the event the cost of the Predevelopment Activities performed by Developer hereunder exceeds the Total Reimbursement, Developer shall pay such Excess Costs from its own funds, and DSHS shall not be required to pay any part of such Excess Costs and Developer shall have no claim against DSHS for Excess Costs. [Schedule of monthly payments may be further detailed during contract negotiations.]

7. Billing and Payment.

Invoice System. The Developer shall submit invoices using State Form A-19 Invoice Voucher, or such other form as designated by DSHS. Developer shall submit invoices to DSHS on a monthly basis with a description of the Predevelopment Activities performed to date since the prior invoice was submitted, the cost thereof, and reasonable supporting documentation consistent with documentation submitted to institutional lenders, including copies of all invoices submitted by the authorized subconsultants.

Payment. Payment shall be considered timely if made by DSHS within thirty (30) days after receipt and acceptance by DSHS of the properly completed invoices. Payment shall be sent to the address designated by the Developer on page one (1) of this Contract. DSHS may, at its sole discretion, withhold payment claimed by the Developer for services rendered if Developer fails to satisfactorily comply with any term or condition of this Contract.

8. Termination

In addition to the termination provisions in the DSHS general terms and conditions, above, upon receipt of termination notice. Developer shall at no additional cost to DSHS promptly deliver or otherwise make available

to DSHS all data, drawings, specifications, calculations, reports, estimates, summaries, such other information and materials as Developer or subcontractors may have accumulated in performing this Agreement, whether completed or in progress.

9. Subcontracts

DSHS hereby authorizes Developer to subcontract with the persons and firms listed in **Exhibit B**, which is incorporated by this reference, and with such additional subcontractors as may be reasonably approved by DSHS.

Developer shall submit monthly reports detailing all work completed by subconsultants during the preceding months and copies of all invoices relating thereto. In no event shall the existence of a subcontract operate to release or reduce the liability of Developer to DSHS for any breach of the performance of Developer's duties.

10. Prohibited Interests

No officer or employee of DSHS or the State of Washington, or of any of its component agencies, during such person's tenure or one year thereafter, shall have any interest, direct or indirect, in this Agreement or the proceeds thereof unless such interest has been disclosed in writing to DSHS and DSHS has determined that no prohibited conflicts of interest or ethical violations are inherent in the circumstances. Failure of Developer to disclose such information to DSHS may result in Termination of this Agreement pursuant to RCW 42.52. DSHS may terminate this Agreement by written notice to Developer if DSHS determines, after due notice and examination, that any party has violated chapter 42.52 RCW, Ethics in Public Service, or any other laws regarding ethics in public acquisitions and procurement and performance of contracts. In the event this Agreement is so terminated, DSHS shall be entitled to pursue the same remedies against Developer as it could pursue in the event Developer breaches this Agreement.

11. Contingent fees, Gratuities & Conflicts of Interest

Developer warrants and covenants that no person or selling agency has been employed or retained to solicit or secure this Agreement or understanding for a commission percentage, brokerage, or contingent fee, excepting bona fide employees. For breach of violation of this warranty DSHS shall have their right to annul this Agreement without liability or in its discretion to deduct from the Total Reimbursement or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee

Developer warrants and covenants that no gratuities, in the form of entertainment, gifts or otherwise, have been or will be offered or given by Developer or any of its agents, employees or representatives to any official member or employee of DSH in an attempt to secure a contract or favorable treatment in awarding, amending, or making any determination related to the performance of this Agreement.

12. Insurance

a. Developer shall, during the terms of this Agreement, maintain in full force and effect, the insurance described in this section. Developer shall acquire such insurance from an insurance carrier or carriers licensed to conduct business in the State of Washington and having a rating of A-, Class VII or better, in the most recently published edition of Best's Reports. In the event of cancellation, non-renewal revocation or other termination of any insurance coverage required by this Agreement, Developer shall provide written notice of such to DSHS within one (1) Business Day of Developer's receipt of such notice. Failure to buy and maintain the required insurance may, at DSHS's sole option, result in this Agreement's termination.

- b. The minimum acceptable limits shall be as indicated below, with no deductible for each of the following categories:
 - 1. Commercial General Liability covering the risks of bodily injury (including death), property damage and personal injury, including coverage for contractual liability, with a limit of not less than \$2 million per occurrence/\$4 million general aggregate;
 - Business Automobile Liability (owned, hired, or non-owned) covering the risks of bodily injury (including death) and property damage, including coverage for contractual liability, with a limit of not less than \$1 million per accident;
 - 3. Employers Liability insurance covering the risks of Developer's employees' bodily injury by accident or disease with limits of not less than \$1 million per accident for bodily injury by accident and \$1 million per employee for bodily injury by disease;
 - 4. Umbrella policy providing excess limits over the primary policies in an amount not less than \$3 million;
 - 5. Professional Liability Errors and Omissions, with a deductible not to exceed \$25,000, and coverage of not less than \$1 million per occurrence/\$2 million general aggregate; and
 - 6. Crime Coverage with a deductible not to exceed \$1 million, and coverage of not less than \$5 million single limit per occurrence and \$10 million in the aggregate, which shall at a minimum cover occurrences falling in the following categories: Computer Fraud; Forgery; Money and Securities; and Employee Dishonesty.
- c. For Professional Liability Errors and Omissions coverage and Crime Coverage, Developer shall:
 - 1. Continue such coverage for six (6) years beyond the expiration or termination of this Agreement naming DSHS as an additional insured and providing DSHS with certificates of insurance on an annual basis:
 - 2. Within thirty (30) days of execution of this Agreement provide for DSHS's benefit an irrevocable stand-by letter of credit, or other financial assurance acceptable to DSHS, in the amount of \$1 million, during the initial and any subsequent terms of this Agreement and for six (6) years beyond the expiration or termination of this Agreement to pay for any premiums to continue such claims-made policies, or available tails, whichever is appropriate, at DSHS sole option, in the event Developer fails to do so. In addition, such irrevocable stand-by letter of credit shall provide for payment of any deductible on the Professional Liability Errors and Omissions policy and the Crime Coverage under the same terms and conditions of such policy as though there were no deductible. "Irrevocable stand-by letter of credit" as used in this Agreement means a written commitment by a federally insured financial institution to pay all or part of a stated amount of money, until the expiration date of the letter, upon presentation by DSHS (the beneficiary) of a written demand therefore.
- d. Developer shall pay premiums on all insurance policies. Such insurance policies shall name DSHS as an additional insured on all general liability, automobile liability, and umbrella policies. Such policies shall also reference this Agreement number [XXXX-XXXXX] and shall have a condition that they not be revoked by the insurer until forty-five (45) calendar days after notice of intended revocation thereof shall have been given to DSHS by the insurer.
- e. All insurance provided by Developer shall be primary as to any other insurance or self-insurance programs afforded to or maintained by the State and shall include a severability of interests (cross-liability) provision.
- f. Developer shall include all Subcontractors as insured under all required insurance policies, or shall furnish separate certificates of insurance and endorsements for each Subcontractor. Subcontractor(s) shall comply fully with all insurance requirements stated herein. Failure of Subcontractor(s) to comply with insurance requirements does not limit Developer's liability or responsibility.
- g. Developer shall furnish to DSHS copies of certificates of all required insurance within thirty (30 calendar days of this Agreement's Effective Date, and copies of renewal certificates of all required insurance within

thirty (30 days after the renewal date. These certificates of insurance must expressly indicate compliance with each and every insurance requirement specified in this section. Failure to provide evidence of coverage may, at DSHS's sole option, result in this Agreement's termination.

h. By requiring insurance herein, DSHS does not represent that coverage and limits will be adequate to protect Developer. Such coverage and limits shall not limit Developer's liability under the indemnities and reimbursements granted to DSHS in this Contract.

13. Disputes and Remedies

- a. In the event a bona fide dispute concerning a question of fact arises between DSHS and Developer and it cannot be resolved between the parties, either party may initiate the dispute resolution procedure provided herein.
- b. The initiating party shall reduce its description of the dispute to writing and deliver it to the responding party. The responding party shall respond in writing within three (3) Business Days. The initiating party shall have three (3) Business Days to review the response. If after this review a resolution cannot be reached, both parties shall have three (3) Business Days to negotiate in good faith to resolve the dispute.
- c. If the dispute cannot be resolved after three (3) Business Days, a Dispute Resolution Panel may be requested in writing by either party who shall also identify the first panel member. Within three (3) Business Days of receipt of the request, the other party will designate a panel member. Those two panel members will appoint a third individual to the Dispute Resolution Panel within the next three (3) Business Days.
- d. The Dispute Resolution Panel will review the written descriptions of the dispute, gather additional information as needed, and render a decision on the dispute in the shortest practical time.
- e. Each party shall bear the cost for its panel member and share equally the cost of the third panel member.
- f. Both parties agree to exercise good faith in dispute resolution and to settle disputes prior to using a Dispute Resolution Panel whenever possible.
- g. Unless irreparable harm will result, neither party shall commence litigation against the other before the Dispute Resolution Panel has issued its decision on the matter in dispute.
- h. DSHS and Developer agree that, the existence of a dispute notwithstanding, they will continue without delay to carry out all their respective responsibilities under this Agreement that are not affected by the dispute.
- i. If the subject of the dispute is the amount due and payable by DSHS for services being provided by Developer, Developer shall continue providing Services pending resolution of the dispute provided DSHS pays Developer the amount DSHS, in good faith, believes is due and payable, and places in escrow the difference between such amount and the amount Develop, in good faith, believes is due and payable.

14. Notice

Any notice required to be given under the terms of this Agreement shall be directed to the party at the address set forth below. Notice shall be considered issued and effective upon receipt thereof by the address-party or twenty-four (24) hours after mailing to the place of business set forth below, whichever is earlier.

(= 1) 1100110 01110	g to the place of basiness corr
Department of Social and	Health Services, State of Washington
,	Project Manager
Olympia, WA 98504 @dshs.wa.gov	-

_	
1 101/0	INNAr.
	loper:

15. Assignment

Per Section 3 of the DSHS General Terms and Conditions, above, Developer shall not assign any interest, obligation or benefit in this Agreement or transfer any interest in the same without prior written consent by DSHS. The foregoing shall not prohibit Developer from entering into subcontracts for any of its obligations hereunder.

APPROVED AS TO FORM ONLY:

Assistant Attorney General Washington Attorney General's Office

EXHIBIT A

PREDEVELOPMENT ACTIVITIES

The Predevelopment Activities for the Project include:

1. Project Design and Budget Updates:

- a. Developer shall consult with Project Owner and DSHS and oversee all design work done by architects, engineers, and other design professionals and consultants for the design and development of the Project. Developer shall expeditiously review design documents during their development and provide advice on proposed site use and improvements, selection of materials, building systems and equipment and methods of Project delivery.
- b. Developer shall consult with Project Owner and DSHS and oversee architects, engineers, and other design professional and consultants regarding the site layout concepts, early design documents, schematic design approaches, design development documents and construction documents and make recommendations whenever design details adversely affect constructability, cost, or schedules.
- c. Developer shall provide recommendations on relative feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs include, but not limited to, costs of alternative designs or materials, budgets and possible economics.
- d. Not less than once each month, by the last day of each month, the Developer shall update and submit the latest estimate of Projected Costs, Project Budget and the Project Schedule for Project Owner and DSHS approval.

2. Entitlements, Permits & Approvals

- a. Developer shall select and coordinate all professional services of architects, engineers, surveyors, special consultants and testing laboratories required for development of the Project.
- b. Develop shall apply for and obtain any and all environmental, land use and construction permits and approvals necessary to develop the Project.

3. Project Schedule & Efforts Leading Towards Closing and Construction of the Project

- a. Not less than once each month, by the last day of each month, the Developer shall update and submit the latest estimate of Project Costs, Project Budget and the Project Schedule for Project Owner and DSHS approval.
- b. Developer shall prepare and periodically update the Project Schedule for Project Owner's and DSHS's acceptance. Developer shall obtain the Architect's approval for the portions of the preliminary Project Schedule relating to the performance of their services. Developer shall coordinate and integrate the Architect's services into the Project Schedule and Developer's and Owner's responsibilities with anticipated construction schedules, highlighting critical and long lead time items.
- c. Developer shall cause the General Contractor to establish the assignment of responsibilities for temporary Project facilities and equipment, materials and services for common use of the Developers. Developer shall verify that such requirements and assignment of responsibilities are included in the proposed Contract Document.

- d. Developer shall cause the General Contractor to determine the division of the project into individual contracts for various categories of work, including the method to be used for selecting Contractors and awarding Construction Contracts. Developer shall cause the General Contractor to review the Construction Documents as required to provide that (1) the work of the General Contractor and subcontractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate Construction Contracts; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for phased construction.
- e. Developer shall work with the General Contractor to expedite and coordinate the ordering and delivery of materials requiring long lead times.
- f. Developer shall cause the General Contractor to provide an analysis of the types and quantities of labor required for the Project and shall review with the General Contractor the availability of appropriate categories of labor required for critical phases. Developer shall make recommendations for actions designed to minimize adverse effects of labor shortages.
- g. Developer shall direct the General Contractor to develop bidders' interest in the Project, establish bidding procedures, issue bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Developer shall cause the General Contractor to submit the list of prospective bidders for Owner's review. Owner shall have the right to reject any bidder if substantial and reasonable cause exists for such rejection. Developer shall assist the General Contractor with respect to questions from bidders and the issuance of addenda.
- h. Developer and General Contractor shall receive bids, prepare bid analyses and award contracts or reject bids.

4. Administration

- a. Administrate all activities required in sections 1, 2, & 3 above.
- b. Establish an accounting system to monitor all Project costs and provide cash flow projections for the term of the project;
- c. Prepare a monthly report to document:
 - All design decisions;
 - Permit status;
 - Consultant contracts; and
 - Project costs (if applicable);
- d. Review and approve payment of all consultant invoices;
- e. Prepare a monthly summary of Project costs, submit to DSHS with supporting documentation as request for payment and oversee disbursement of funds.

EXHIBIT B

DSHS PROJECT – FIRCREST SITE

PREDEVELOPMENT BUDGET

THROUGH CONSTRUCTION DOCUMENTS, PERMITTING, AND BIDDING

Architect			\$
Civil Engineer including Site Survey			\$
Civil Engineer for Street Frontage improvements			
Structural Engineer			
Electrical Engineer			
Mechanical Engineer			\$
Landscape Designer		\$	
Permits			\$
Reimbursables			\$
Other Subconsultan	ts		\$
	Sub-Total		\$
Design Contingency			\$
	TOTAL		\$

Team Members:

•